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FISCAL IMPACT REPORT

SPONSOR King DATE TYPED 2/21/05 HB 887

SHORT TITLE Torrance County Loan Repayment SB _____

ANALYST Hadwiger

APPROPRIATION (in \$000s)

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY05	FY06	FY05	FY06		
	\$131.0			Non-Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

Duplicates SB929.

SOURCES OF INFORMATION

LFC Files

Responses Received From

Department of Finance and Administration (DFA)

SUMMARY

Synopsis of Bill

House Bill 887 appropriates \$131 thousand from the general fund to the Department of Finance and Administration for expenditure in FY06 for Torrance County to repay a State Board of Finance loan.

Significant Issues

According to the DFA, Torrance County's finances faced a crisis in FY05 and could now be characterized as recovering. The crisis was triggered by over-commitment to a COPS Grant and overspending the budget by approximately \$500 thousand. In response to this situation, the State Board of Finance made an emergency loan to Torrance County at its October 12, 2004 meeting to assure continued public safety services. The appropriation in HB887 would contribute to Torrance County's financial recovery.

FISCAL IMPLICATIONS

The appropriation of \$131,000 contained in this bill is a non-recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of FY06 would revert to the general fund.

POSSIBLE QUESTIONS

1. What measures has Torrance County taken to assure its future financial viability without further subsidy from the State of New Mexico?

DH/rs